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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Enhance the
Role of Demand Response in Meeting the State's
Resource Planning Needs and Operational
Requirements

Rulemaking 13-09-011
(Filed September 19, 2013)

**JOINT ASSIGNED COMMISSIONER AND ADMINISTRATIVE LAW JUDGE
RULING AND AMENDED SCOPING MEMO**

Summary

Pursuant to Public Utilities Code Section 1701.5, this Joint Assigned Commissioner and Administrative Law Judge (ALJ) Ruling extends the schedule in order to complete the remaining issues in Rulemaking (R.) 13-09-011. As further described below, the research to study the potential of demand response in California, as directed in Decision (D.) 14-12-024, will not be completed until mid-2016. Hence, the schedule for this proceeding requires an 18-month extension for a final determination in this matter.

1. Background

On September 19, 2013, the Commission initiated Rulemaking (R.) 13-09-011 by approving the Order Instituting Rulemaking to enhance the role of demand response in meeting the State's resource planning needs and operational requirements. The Commission initiated the rulemaking in order to prioritize demand response as a supply resource to be competitively bid into the California Independent System Operator (CAISO) wholesale electricity market.

On November 14, 2013, the assigned Commissioner and Administrative Law Judge (ALJ) jointly issued a Ruling and Scoping Memo (Scoping Memo) that set forth the procedural schedule and scope of issues. The scope of the proceeding included the establishment of goals for the demand response program. Pursuant to Public Utilities Code Section 1701.5, the Scoping Memo explained that the complexity of the case and the number of issues to be resolved required a time longer than the 18 months typical for rate setting cases and thus set a deadline of November 14, 2015 to complete this proceeding.¹

In December 2014, the Commission approved Decision (D.) 14-12-024, which adopted a joint party proposal that, among other matters, directed Commission staff to study the potential of demand response in the California in order to assist the Commission in establishing a goal for the demand response program based on the potential, needs, and value (Potential Study).² Ordering Paragraph No. 3 approved the pursuit of the Potential Study and directed that Commission staff immediately begin the design of the Potential Study, allow input from the parties through a workshop and comments, and ensure the completion of the Potential Study within one calendar year from its commencement.

¹ Joint Assigned Commission and Administrative Law Judge Ruling and Scoping Memo, November 14, 2015 at 10.

² D.14-12-024 at 18.

Following the issuance of D.14-12-024, the Commission's Energy Division began work on the design for the study to investigate the potential of demand response in California and began discussions with the contractors, Lawrence Berkeley National Laboratory (Study Team). On May 11, 2015, the ALJ issued a Ruling establishing a deadline of June 3, 2015 for parties to file responses to questions regarding the draft research plan for the Potential Study and June 10, 2015 to file reply comments. The Ruling also stated that the Study Team would contact certain stakeholders soon after the Workshop to obtain data for the Potential Study and, thus, required Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company to cooperate in a timely manner with all data requests from the Study Team regarding the Potential Study. Pursuant to D.14-12-024, Ordering Paragraph No. 3(e), on May 13, 2015, the ALJ facilitated a workshop to present and discuss the draft research plan for the Potential Study. Parties filed timely comments and reply comments regarding the Potential Study.

2. Discussion

As indicated by the timeline in the background described above, the Potential Study did not commence until July 2015. D.14-12-024 provides one year for the Potential Study to be completed. The current schedule anticipates the delivery, in March 2016, of a report regarding the potential of demand response in California from a technical viewpoint. Another report providing the market viewpoint will be delivered in the Summer of 2016. Without these reports and the information contained therein, the Commission cannot complete the scope of this proceeding, primarily, setting a goal for the demand response program. Hence, it is reasonable to extend the deadline to complete this proceeding for an additional 18 months.

IT IS RULED that the deadline for completing this proceeding is extended an additional 18-months to March 14, 2017. The Presiding Officer may adjust this schedule as necessary for efficient management of this proceeding.

Dated November 6, 2015 at San Francisco, California.

/s/ MICHEL P. FLORIO

Michel P. Florio
Assigned Commissioner

/s/ KELLY A. HYMES

Kelly A. Hymes
Administrative Law Judge